

FIVE BILLION A YEAR FOR LUXURIES IN U.S.

Theatres Get Close to a Billion; Soft Drinks Cost \$500,000,000.

\$220,000,000 FOR GEMS

Perfumes, Cosmetics, Toilet Soaps \$70,000,000, With Clubs \$50,000,000.

THRIFT EXPERTS ROUSED

Plan to Halt Expenditure of \$13,700,000 Daily for Non-essential Items.

Special Despatch to THE NEW YORK HERALD, New York Herald Bureau, Washington, D. C., July 17.

Approximately \$5,000,000,000 is being spent in New York and other big cities of the country each year in a national rush to obtain amusement and luxuries, returns to the Treasury Department under luxury and kindred tax items show.

More than \$500,000,000 was paid into the Treasury during the fiscal year just ended in taxes on expenditures listed in the luxury tax laws.

The tax list includes about fifteen items which can be classified more or less as luxury or non-essential expenditures. In most cases the tax is 10 per cent. of the amount disbursed by the seeker for amusement or luxury. The tax list of course does not include all luxuries, nor all amusements. Some are not taxed and for these there is no return on which to estimate the national expenditure.

The disbursement of \$5,000,000,000 a year for luxuries and amusements therefore is a minimum estimate of the national expenditure. This sum, however, is regarded by many Government officials as too vast for the purpose, considering the economic depression and unemployment throughout the country. The thrift division of the Treasury Department is working to discourage the rush to buy follies.

Closing Family Pocketbook.

Under the thrift division's direction the Government, through its innumerable departments and agencies, scattered throughout the United States, is engaging in a nationwide propaganda to encourage the conservation of the resources of the family pocketbook. An intensive poster advertising campaign is being started to encourage the purchase of thrift stamps and the later redemption of these miniature Government bonds for savings stamps which cost just under \$5. Millions of placards calling attention to the issues of the stamps are being distributed in post offices, Government buildings, railroad stations and all sorts of public places. The thrift division is working directly along another line to promote conservation of cash by getting in touch with clubs, neighborhood building and improvement associations, women's societies, grade schools and Sunday schools in an effort to reduce national extravagance. This campaign is meeting with some success, it seems, since thousands of letters are flooding the thrift division officials from persons and organizations in all parts of the country.

Despite the activities of the Government toward thrift, expenditures in excess of \$13,700,000 are being made daily in the centres of population of the country for articles which mainly are included in the lists of the luxury tax laws. And the Government is convinced that it is receiving only a fraction of the tax collectors from dealers. This indicates, officials say, that the expenditure is far greater than the tax returns actually show.

Commissioner Blair of the Internal Revenue Bureau now is staging a national campaign to discover dealers who fail to turn in the full amount of pennies collected as luxury taxes. Flying squads of tax sleuths are at work in New York and a score of other big cities inspecting the books and tax return practices of movie theatres, vendors of soft drinks, jewellers and others who make taxable sales.

Economy Campaign General.

Government officials interested in the thrift campaign are careful to explain that there is no attempt to discourage the spending of money for any one line of amusement or any one variety of luxuries. Officials do not want to be open to criticism by any private interest which may have money invested in amusement parks, theatres or stores which deal in so-called luxuries. The Government's campaign is intended to be absolutely general as regards any given expenditure, but it is aimed directly, nevertheless, at the purchase of all luxuries and the seemingly endless search for recreation and amusement.

More than \$22,000,000 in taxes was turned into the Government coffers by theatres during the first eleven months of the fiscal year ended last June. This indicates, officials say, that nearly \$1,000,000,000 a year is being spent for seat in movies and legitimate theatres. The expenditure is slightly more than the Government will spend this year in interest on the national debt and about one-quarter of the total estimated revenues of the Government for the year.

Smokers are paying to the Government nearly \$250,000,000 a year in taxes on cigars, cigarettes, tobacco and snuff, the records show. During the last year this tax return has fallen off slightly, especially on cigarettes. Officials believe the decline is a direct result of the economy depression and unemployment.

One interesting item in the tax returns is the collection of more than \$237,000 in taxes on what the record lists as "distilled spirits beverage." Under the Volstead law the use of spirits for beverage purposes is illegal in the United States. It is remembered, though, that before the Volstead law became effective the Government's revenue from the sale of liquor totalled millions a month. The present collections of less than one million for an entire year represents the total collection of items due on liquor lawfully held.

The national taste for ice cream, soda water, soft drinks and cereal beverages of the non-intoxicating group nets the Government more than \$50,000,000 a year, indicating that the vendors earn at least one-half of \$1,000,000,000 a year.

Consumers of candy and other confections are obliged to pay the Government in excess of \$20,000,000 a year for the privilege of enjoying sweets. In addition to the cash they turn over to the manufacturers and dealers in the

\$220,000,000 worth a year, so far as the tax returns are any indication of the business.

Club life in the big cities costs its enthusiasts approximately \$50,000,000 a year, the records show, of which the Government obtains a cool \$5,000,000 over and above the dues of members.

Bowling alleys, poolrooms and other gaming places pay to the Government taxes totalling approximately \$2,000,000 a year. One interesting item is shown in the tax return on playing cards, which amounts annually to about \$2,500,000. Another is the national affection for chewing gum, which contributes about \$1,500,000 a year in taxes. Some other tax collections of comparatively small but unusual nature listed in the returns follow:

Hunting and bowie knives, nearly \$4,000,000 annually; musical instruments, more than \$11,000,000; yachts and motor boats, approximately \$500,000; toilet soap and powders, more than \$2,000,000, and cigar holders and pipes, approximately \$150,000.

Automobiles and accessories, more than half of which are sold for pleasure, net the Government approximately \$100,000,000 each year, while fur coats worn by women and other garments made of fur yield nearly \$15,000,000.

HOOVER PLANNING HOUSING RELIEF

Considers Diversion of Savings Deposits Toward Construction of Homes.

WASHINGTON, July 17.—Plans for relieving the estimated shortage of 1,500,000 homes throughout the country by the diversion of a greater portion of the nation's \$22,000,000,000 in savings deposits into home building are under consideration by Secretary Hoover.

The Commerce Secretary considers that there has been a tendency during the last few years for the savings of the people to find their way into commercial paper, bonds and similar securities rather than into home building, while a critical housing situation has developed, with about 117 families for each 100 homes.

The chief reliance of the country in the necessary financing of home building, in the opinion of Mr. Hoover, must be the savings institutions. With a total of \$22,000,000,000 available from these sources he believes it will be found, after eliminating the building and loan societies and actual savings banks, which devote about 50 per cent. of their deposits to home building, that the savings departments of national banks, State banks, trust companies and insurance companies comprising more than one-half of the total, probably do not loan more than 10 or 15 per cent. of their savings assets to housing.

Mr. Hoover has suggested that 40 or 50 per cent. of the \$160,000,000 of deposits in Postal savings banks could be diverted to this, as well as a larger proportion of the savings deposits of national banks, through amendment to the Federal Reserve act.

"I believe," Mr. Hoover said, "that we should have a very much more stable economic system if we had a more regular proportion of our savings available to home building. There is, in fact, no other economic fund than our savings institutions from which our home building can be safely secured."

CHINESE TO HAVE OUTING.

2,000 From Eastern Cities Will Go to Bear Mountain.

Chinese from Boston, Philadelphia, Newark, Paterson and Hoboken will join their brethren in New York this morning for a steamboat picnic to Bear Mountain. The Grand Republic will carry Chinese merchants to the number of about 2,000 when she backs away at 9:30 A. M. from the Battery and points upstream.

At 14 Mott street, headquarters for the merchants organizing the picnic, final preparations were made yesterday for the big party. The Chinese are bringing things lavishly and thousands of dollars have been spent for refreshments and dainties pleasing to the Chinese taste.

"At last I've found a really competent secretary—I got her through a New York Herald Want Ad."

Economy Campaign General.

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DAUGHERTY PLANS FURTHER ECONOMY

Would Rely More on Grand Juries and Cut Work of Federal Agents.

AID OF TAFT SOUGHT

Scientific Readjustment of Entire Department Is Under Way.

Special Despatch to THE NEW YORK HERALD, New York Herald Bureau, Washington, D. C., July 17.

Attorney-General Daugherty has decided to inject more economy in the administration of the Department of Justice by such a scientific readjustment of the judicial system as will allow large reductions in some ends of the department's personnel or at least obviate the necessity of spending large sums for employment of larger forces of special investigators.

In an adjustment of his department's needs the Attorney-General has sought the advice of Chief Justice Taft, who is cooperating with a special committee in drafting a new legislative plan for relief of congestion in the courts. Chief Justice Taft is said to have recommended the advisability of relying more on the Grand Jury processes in assembling proof in criminal cases and less upon the evidence which it is possible for federal agents to obtain.

Under the proposed plan of the Attorney-General it is believed there will be a large saving of public funds by leaving to the grand juries of the Federal courts the broader exercise of their investigative powers. The Attorney-General, in discussions of the subject with his advisers, is said to have taken the position that under the present rather unsatisfactory methods of conducting investigations Federal agents usually assemble evidence which is not at first based upon the sworn statements of witnesses.

In the usual course, it was said, grand juries are forced to retrace the steps of Federal investigators or cover entirely new ground. With their power to examine all witnesses under oath it is believed the grand juries can adjust their functions so that much of the work now covered by special investigators could be handled more effectively and cases expedited for trial by a more complete assembling of sworn evidence for later use or Federal district attorneys.

Until the more scientific arrangement of procedure now planned is perfected by the Attorney-General it is not his plan to reduce the staff of investigators materially, but in the end it is his purpose to effect large savings on this score alone. Under the Administration's economy programme the Attorney-General does not desire to make heavy demands for additional appropriations from Congress where it can be avoided.

He already has effected a saving in the department's expenditure of nearly \$500,000 by dismissal of highly paid special assistants and investigators and he is planning further economies where possible without weakening the department's efficiency.

JUDGE'S HOME ROBBED.

Negro Employee of W. C. French Held in Atlantic City.

ATLANTIC CITY, July 17.—The country home of Judge William C. French of the Camden Court of Common Pleas, between Fort Republic and Chestnut Neck, was robbed last night. The thieves obtained more than \$2,000 worth of jewelry and \$50 in cash. The judge and his family were away from the house at the time. When they returned they discovered the robbery.

The police made an investigation and arrested Jay March, 22, negro employee of the judge, who was brought here this afternoon and will be given a hearing on Tuesday.

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WILSON'S 'KEY MEN' TO BE CLEANED OUT

Complaint Made That Division Heads Are Continuing Aid to Democrats.

RELIC OF OLD MACHINE

Instances of Rank Favoritism and Jobbery in Big Contracts Are Cited.

Special Despatch to THE NEW YORK HERALD, New York Herald Bureau, Washington, D. C., July 17.

Responding to the urgent demands of Senators, Representatives and members of various Republican organizations, the Harding Administration has started out on a definite campaign to sweep out of office in Washington and in the country men who, left over by the Wilson Administration, are still holding positions of importance in many departments as they are commonly called.

Instances after instance have been given Mr. Harding's personal representatives of Democrats receiving distinct preference over Republicans in the matter of holding their jobs and of transacting business from the outside. These reports were laid before the President with the result that Mr. Harding began issuing unequivocal instructions to the heads of the departments to clean house immediately.

It is being charged by Republican lawyers and business men who have dealings with some of the departments that the friends of men prominent in the Wilson Administration still are receiving special favors; that they are able through the official system of making appointments to obtain certain accurate and complete information concerning official plans and policies that are denied the average man who seeks to do business with the Government.

One of the cases cited was that of where a "key man" or division head arranged for the sale of a set of surplus materials by negotiation. Prior to making this arrangement with a group of purchasers he had refused to negotiate for its sale to another group on the ground that the sale was such a large one that for jurisdiction would have to advertise for bids. The deal was on the verge of going through and was checked only when one of the unfavorable firms which wanted to bid on the material laid the matter before the head of the department. The deal was cancelled, but the head of the department never would have known the real report of the scheme if an outsider had not informed him of it, since he was prepared to accept the "key man's" recommendation as a matter of routine.

Another example of how smoothly the old Wilson machine is running within the Republican Administration is furnished by an occurrence in another department. This time it was purely a case of patronage, with no real financial loss to the Government involved.

The appropriation for a minor branch of the Department of Labor was running short toward the close of the past fiscal year. It became necessary to curtail expenses for purchasing. Consequently the man under whose division this branch comes decided to lay off a few employees during the month. The result was that he laid off two Republican women clerks, who were drawing small salaries, and retained the acting head of the branch office, who is a Democrat and the son of a man who not so long ago was an extremely prominent Democratic Representative in Congress.

This acting head had been transferred to the job only a short while before and never had made a record which indicated that the branch could not get along without him.

It could certainly have run a month without him, and yet he was retained while the two women clerks whose efficiency records were unusually high were forced to loaf for a month without pay.

When the case finally reached the attention of the Secretary it was too late to do anything but wait for the first of July to arrive and bring the renewed appropriation. It has been definitely

decided, however, that the son of the former Democratic Congressman soon will be out of a job, as will the Democratic division chief, who has been holding him on the rolls at the expense of the Republican employees.

This first drastic house cleaning is scheduled to occur at the Shipping Board. It is understood that when President Harding took Chairman Lasker down the Potomac River on the Mayflower last week he took occasion to present to Mr. Lasker a list of names now on the rolls of the Shipping Board and Emergency Fleet corporation with the request that they be removed at the earliest possible opportunity.

Mr. Lasker had stated a few days before that he was going slow in the matter of changing the personnel. Naturally, with a world of new problems on his hands and with everything at the board in a state of confusion Mr. Lasker had found it difficult to make abrupt changes.

But the aims of the President who are making investigations of Government employees and their outside affiliations have convinced the President that the Shipping Board will never get anywhere until it gets rid of practically every man left over from the old regime who holds a position of importance.

As a result of this steady progress in weeding out the leftovers at the Shipping Board may be looked for at any time. For a while many of the employees, who have had fairly strong political backing from Republican quarters have been feeling quite safe. In fact some of them were letting it be generally known that they had "made themselves solid" with the new board. According to reliable information they have been dwelling in a fool's paradise. To tell the truth they have become aware of this themselves during the last few days and now consternation reigns, and all the Shipping Board offices are alive with rumors as to the imminent danger that lurks there.

But Mr. Lasker has no easy task. For instance, the wooden ships department still contains several thousand employees scattered in various parts in the country in spite of the fact that only one of the fleet of ocean ships is operating. Yet when Mr. Lasker sought recently to drop the employees of this division in a certain coast city where there is not a single wooden ship moving or stationary, he was greeted with a howl from the political friends of the employees.

With the backing of the President, however, Mr. Lasker is going steadily

forward. If he needs help to stave off the politicians he will get it from the President and Gen. Dawes, whose investigations soon will reach the Shipping Board and whose recommendations can but be in favor of a wholesale reduction of useless employees.

MRS. KABER HELPLESS SINCE LIFE SENTENCE

Talk Unintelligible; Eats and Sleeps Little.

CLEVELAND, July 17.—There was little change to-night in the physical condition of Mrs. Eva Catherine Kaber, sentenced to life imprisonment for the murder of her husband. She remained as helpless and exhausted as she was when carried into the court room to hear the verdict, and has not moved from her bed since.

Mrs. Kaber has talked little, and when she has it has been in an almost unintelligible murmur, according to attendants and her daughter, Marian McArdle. She has eaten little. Early to-day she drank a glass of milk, and this afternoon Miss McArdle urged her to partake of some food brought in for the prisoners.

Mrs. Kaber slept hardly at all last night.

MILLER'S EFFICIENCY BOARD STARTS TO-DAY

Politics and Antiquated Methods to Be Eliminated.

Special Despatch to THE NEW YORK HERALD, New York Herald Bureau, Albany, July 17.

The investigation of State departments by Gov. Miller's newly created State Board of Estimate and Control will begin to-morrow.

The main purpose is to cooperate with the present State officials and assist them in improving the work of the departments. Gov. Miller, chairman of the board, wants to drive out of the State service political wire pulling, inefficiency and antiquated methods.

The Governor sees no reason why the State's business should not be conducted with the same snap and progressiveness as that of any big, up to date corporation. Economy and efficiency are to be the watchwords. The board seeks a maximum of results at a minimum of cost.

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MONEY PURCHASES THE EXACT MEASURE OF VALUE CONSIDERED PRACTICAL BY THE MERCHANT. THE FIFTY-DOLLAR BUSINESS SUIT EMBODIES THE FINCHLEY IDEAL OF PERFECT VALUE.

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For the Best Story of

—How You Caught Your Fish

—What Your Thrilling Experience Was

—Where You Went and How You Got There

—What Tackle or Outfit You Used

THE EVENING MAIL

(New York)

Will distribute a series of prizes amounting to

\$1,000 in Cash

Literary style, or how your story is written, will not count.

The winners will be those who send in the most interesting and thrilling stories.

Here is a chance for all fishermen who have had an unusual experience while fishing to have their story published and to win a prize at the same time.

THE FULL DETAILS OF THE FISHING STORY COMPETITION ARE GIVEN IN

THE EVENING MAIL

(New York)

TODAY

"That's what I call a Sale!"

The Annual Royal Tailor Clean-Up Sale of all small yardages in our finest grade fabrics—all remnants in our \$40, \$50 and \$60 grades reduced for quick clearance to special midsummer price of \$27 the Suit or Overcoat to order

EVEN the old timers are amazed at the wonderful values we are offering at this Clearance Sale. They remember the good old days when \$30 bought the finest ready-made suit.

But they can't remember when \$27 bought the finest made-to-measure suit—custom tailored—in the superb quality of wools we're offering during this Sale.

So they admit that the clothes dollar is performing in better than normalcy form during this great July Clearance.

This sale is an Annual Event with us. Every year, at this time, we clear out all remnant yardages—in our highest priced grades—both in our wholesale and retail stock—sacrificing them at salvage prices to make room for new Fall stock.

But this season the values are particularly remarkable because of the big number of \$50 and \$60 fabrics on hand, in yardages too small to warrant carrying them over into the new season.

All of these choice goods—up to \$60 qualities—have yielded to the ruthless price cleaver.

They're marked at \$27—suit or overcoat to measure—if you order while the stock lasts.

All Pure Wool Fabrics Exclusively in \$40, \$50 and \$60 Qualities—All Shades—All Patterns

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Downtown: Park Row and Deekman
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A CLEAN SWEEP
of all limited yardage remnants in our \$40, \$50 and \$60 grades

Suit or Overcoat to Order

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CHICAGO—NEW YORK

THE NEW YORK HERALD

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